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9/1/06**BLM - Cedar City Field Office
Site Inspection Report**

June 10, 2002

To: Case File UTU-67787, 43 CFR 3809 Disturbance

From: Ed Ginouves, CCFO Mining Engineer

Subject: KCL Project, Lynn Orton / Bruce Whited

On June 7, 2002, I visited the subject mine site. The purpose of the visit was to meet with the salvage party, SRS Mining of Beaver, and oversee any reclamation work that would be possible in exchange for the equipment previously seized, and now the property of the U.S. Government. The previous inspection was on November 20, 2001, at which time the seizure / impoundment period expired, and the equipment became the property of the U.S. Government. Refer to the 11/20/2001 inspection report for a complete summary of the events leading up to the equipment seizure.

Present for the on-site meeting were myself, Steve Hodges, Steven Gale, and Rodney Green, all of Beaver, Utah and operating under the company SRS Mining. Last year I had contacted Mr. Hodges about removal and ownership transfer of the equipment on site in exchange for partial reclamation of the site. The S-11 signs I had placed on the equipment on November 10, 2001 were still intact.

Despite extensive vandalism of the tracked loader, SRS Mining (earlier in the week) was able to re-habilitate it so that it was functional. This had required removing and repairing the radiator core, removing and cleaning the fuel injectors, flushing the fuel system and adding lubricating and hydraulic oils. The loader had to be hot-wired as the starting system had all been vandalized. During the past several days they had attempted to perform the reclamation that I had indicated was a priority - pit backfilling / highwall reduction, and blocking the access road. They were able to slope the south edge of the pit by pushing loose material down from the upper pit edge, but were unsuccessful in sloping the north pit wall due to the competency of the rock. The loader simply does not have the digging capacity to excavate the in-place bedrock. They had lost one of the loader tracks during the work which they managed, through great ingenuity, to replace earlier in the day. They had gathered scrap steel pieces and trash from the site.

Steve noted that they had checked with used equipment dealers as to the value of the equipment and found that the salvage value of the tracked loader was only ~\$500. The value of the dump truck was unknown but probably only several hundred dollars, due to the extensive vandalism. The pipe grizzly was worth a couple of hundred dollars. Steve also noted that the cost of simply removing the equipment from the site likely exceeded its salvage / scrap value. The current plan was for SRS Mining to remove the tracked loader, dump truck, and pipe grizzly to Steven Gale's property in Beaver for storage until a buyer could be found or the equipment could be re-habilitated and used in SRS's mining activities.

Given the low salvage value of the equipment, and the extensive work that had already been invested by SRS in getting the loader to function, I told Steve the only other work I would require would be to block the access road and to seed to disturbed areas in the fall. The access road was blocked by constructing two 5' high berms of weathered rock and soil where the site access road leaves the existing jeep trail several hundred feet to the west of the mine site. The excavated material was scraped from the access roadbed down to bedrock. The berms are ~20' apart and span the cleared width of the roadway to the adjoining forest. They should be sufficient to deter all full-size vehicle access to the mine site.

Steve said that the loader, dump truck, and grizzly would be hauled from the site on June 8, making two trips with a lowboy (gooseneck) trailer. I told Steve that the equipment was now the property of SRS Mining and that if anyone questioned him regarding this to have them call me.

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I photographed the mine site and the access road berms. Natural re-vegetation continues to reclaim the site, although the drought conditions have limited grass / forbe growth this year. I walked the disturbed areas at the mine site to locate any noxious weeds as several years ago I had found (and killed) several mature Scotch thistle plants. No thistle was found, but this may only reflect the dry soil conditions this year. The site should continue to be monitored for Scotch thistle in the late spring and to confirm if the berms are preventing site access. Seeding of the site should be performed this fall with a hand-spreader. SSR Mining has agreed to do the seeding, if BLM provides the seed.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Cedar City Field Office
176 East DL Sargent Drive
Cedar City, Utah 84720

November 27,
2001

Memorandum

To:
UTU-67787

case file
KCL Mine Site

From: Field Office Manager

Subject: Seizure of Mining Equipment as U.S. Govt. Property and Authorization for Disposal

This memorandum summarizes events leading up to the seizure and disposal of mining equipment stored on BLM land without authorization. Complete documentation and photographs are contained in case file UTU-67787.

Summary of Events to Date:

This KCL mine site is a mining disturbance located in California Hollow within the NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 1, T. 31 S., R. 8 W. The disturbance is located entirely on Federal lands with the jurisdiction of the BLM CCFO. The original notice of intent filed for this operation was through Cobb Mining Operation, care of a Mr. Whited, on May 28, 1991. On March 11, 1992, an amended notice (copy enclosed) was filed by AEMC (again, care of Mr. Whited), which moved all milling activity proposed under the original notice from federal to private lands. The mine site disturbance covered under the amended notice was assigned to BLM casefile UTU-67787, and State of Utah Small Mining Operation case file S/021/013.

On September 15, 1997, an inspection of the site revealed that the site has been inactive for over a year. I contacted the State of Utah, Division of Oil, Gas, and Minerals, and found that no annual reports have been filed for the mining operation or mill site since 1993. The BLM acceptance letter for amended notice required that if mining activities extend for more than one year, that a new notice be filed with this office, or that the reclamation plan for the site be carried out.

A letter was sent to the operator on 11/25/1997, informing him of the need to file an amended notice, or commence reclamation of the site.

The site was inspected again on 10/26/1999 and no progress had been made on reclamation.

A notice of non-compliance (NON) was sent to the operator of record, a Mr. Whited, on April 5, 2000. The NON cited failure to perform timely reclamation under 43 CFR 3809.3-2(b). To correct the noncompliance, the NON required that earthwork reclamation activity must commence within 30 days of receipt of the letter and be completed no later than 90 days from receipt of the letter. Seeding of the reclaimed site had to take place during the period of September 30th -October 30th, 2000. The NON was sent certified mail and was received on April 12, 2000. The 90 day period expired on July 11, 2000. The operator was subsequently informed via decision letter, dated February 6, 2001, that he had established a record of noncompliance and that the term of the record was 1 year following satisfactory completion of site reclamation.

The site was inspected on April 14, 2001. That inspection found that some reclamation had been performed on the site, presumably in November, 1999. This work consisted of spreading topsoil (which had been stockpiled along the northwest perimeter of the site) over the upper (northwest) one-third of the mine site. Some material had also been pushed in the west end of the open cut in an attempt to reduce the vertical high wall to a steep slope. The work did not satisfy the requirements of the reclamation plan.

The site was inspected in July 11, 2000, and no additional reclamation work had been performed, as required by the deadline set in the NON issued to the operator via letter dated April 5, 2000.

The site was inspected on July 6, 2001, and site conditions remained unchanged from those found during the inspection on July 11, 2000. Three pieces of equipment on site - a tracked loader, dump truck, and

grizzly - were still on site and had not been moved since July, 2000. The grizzly was a home-made affair, being constructed of pipe steel with pipe spacing of ~6". The tracked loader was unidentified as to manufacturer and model as no identifying plate could be found on it. The dump truck was an International Harvester Company, Model 1700 Loadstar, VIN D0522EHA46191, date of manufacture: 4/25/1975. Both the tracked loader and the dump truck had been vandalized by shooting and rock-throwing. All the operator's cab windows have been broken out of both pieces of equipment and the batteries are missing. It is possible that either or both had been rendered inoperable.

During the July 6, 2001 inspection, the three pieces of equipment noted above were posted with **Notices to Remove Unauthorized Improvements and/or Personal Property** and a **Warning to Trespassers**. The notices were placed in plastic document protectors and securely duct-taped to the equipment at prominent locations. Notices were placed both inside the operator's cabs and on the exterior of the equipment. The secured notices were photographed and copies of the notices that were posted are found in the inspection report. The notices stated that the equipment posted was to be removed from the site by August 30, 2001. The notice also stated that failure to remove the equipment by that date would result in forfeiture to the U.S. government, subject to an additional 90 day impoundment period, during which time the equipment could be recovered by the owner provided payment for storage and administrative charges was made.

A decision letter was sent, via certified mail, to Mr. Whited on July 10, 2001 informing him of the failure to obtain authorization to store the equipment on site, and the intent of the Bureau to seize, impound, and dispose of the equipment if it wasn't removed by the August 30, 2001 deadline. The letter was received by Mr. Whited on July 18, 2001.

The site was re-visited on November 20, 2001, following the expiration of the 90 day impoundment period, which ran from August 20th to November 20th, 2001. The November 20, 2001 inspection revealed no change in the site conditions. No additional reclamation work had been performed and there was no evidence that the equipment had been moved in any way. The notices placed on July 6, 2001 were all still in place and legible. A single S-11, **Warning to Trespassers**, aluminum sign was secured to the grizzly, the tracked loader, and the dump truck. The equipment/signs were photographed.

Recommendation/Decision

In accordance with BLM Manual H-9232-1 (Trespass Abatement), Chapter VI, section G, addressing destruction/removal of property seized by the U.S. government, I hereby certify that the procedures applicable to the seizure and removal of an personal property present on this mine site were followed and I hereby authorize that the equipment be removed from the site by Mr. Steve Hodges, 710 N, 100 W, Beaver, Utah (telephone 435-438-2628). In exchange for transfer of ownership, Mr. Hodges has agreed to remove the seized equipment from the site and undertake partial or full reclamation of the mine site, depending on the operating condition of the equipment.

Jerry Meredith
Field Office Manager